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PR08: 012

FOR IMMEDIATE RELEASE:

FEBRUARY 8, 2008

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Controller Releases January Cash Flow Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California’s cash balance, receipts and disbursements in January and through the first seven months of the fiscal year.

“During tough fiscal times it is critical that we carefully review and track incoming revenues,” Chiang said. “Here we see that a drop in personal income tax caused January’s receipts to miss the latest projections, which only highlights the need to pursue real budget reform in California.”

Actual General Fund revenue in January was down \$171 million, or -1.7 percent, from estimates found in the Governor’s 2008-09 State Budget proposal, which contains updated revenue projections for the current fiscal year. Personal income tax totals missed estimates by \$231 million, or -2.7 percent. Sales tax receipts were down \$8 million, or -0.8 percent and corporate taxes were up by \$47 million, or 15.4 percent.

The State received \$2.5 billion more than it spent in the month of January. For the fiscal year-to-date, the State has spent \$13.2 billion more than it received in revenue – but deficits at this point are not unusual because a large part of the State’s revenues come in during the last four months of a fiscal year, while many of its expenses occur in the first eight months.

The State started the fiscal year with a \$2.5 billion cash balance, leaving a net cash deficit of \$10.8 billion on January 31. The State issued a \$7 billion Revenue Anticipation Note last fall to cover a portion of this short-term deficit. The remaining \$3.8 billion shortfall is being covered by internal borrowing.

The [financial statement](#) and the [summary analysis](#) can be found on the Controller’s Web site at www.sco.ca.gov.

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